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**FISCAL IMPACT STATEMENT**

**LS 6847**

**BILL NUMBER:** SB 407

**NOTE PREPARED:** Feb 22, 2010

**BILL AMENDED:** Feb 22, 2010

**SUBJECT:** Various Motor Vehicle Matters.

**FIRST AUTHOR:** Sen. Arnold

**FIRST SPONSOR:** Rep. Austin

**BILL STATUS:** CR Adopted - 2<sup>nd</sup> House

**FUNDS AFFECTED:**     **GENERAL**  
                          **X DEDICATED**  
                          **FEDERAL**

**IMPACT:** State

**Summary of Legislation:** (Amended) This bill: (1) removes the requirement that the Bureau of Motor Vehicles (Bureau) issue certain license plates biennially;

(2) authorizes the Bureau to adopt rules authorizing applicants for renewals and replacements of certain driver's licenses and identification cards to apply for the renewals and replacements by electronic service;

(3) requires certain applicants for replacement driver's licenses or permits or identification cards to provide proof of the change of mailing or residence address or name to the Bureau;

(4) repeals language: (A) requiring applications for personalized license plates to be accepted at any time for initial issuance of the plates for the following year; and (B) requiring a person who is the registered owner or lessee of a vehicle who is issued a personalized license plate to register the vehicle before May 1 of each year;

(5) establishes the Gold Star Family Member license plate and specifies that the Gold Star Family Member license plate is not a special group recognition license plate;

(6) extends the availability for issuance of the Abraham Lincoln Bicentennial license plate and provides that an annual fee of \$25 be collected for issuance of the Abraham Lincoln Bicentennial license plate;

(7) revises the amount of excise tax due on a recreational vehicle or a truck camper for a partial year registration;

(8) authorizes the Bureau to negotiate and enter into a reciprocal agreement with a foreign country to facilitate the exchange of operator's licenses and requires the Bureau to report annually to the General Assembly regarding a reciprocal agreement;

(9) specifies that a nonresident of a certain age who holds an operator's or a chauffeur's license from the nonresident's home state or country and has been lawfully admitted to the United States is not required to have an Indiana operator's or chauffeur's license to drive in the state;

(10) deletes language concerning the ability of an individual who does not hold an operator's or a chauffeur's license to operate a motor vehicle when the individual's home state or country does not require the licensing

of individuals in order to operate a motor vehicle;

(11) authorizes the Bureau to disclose certain personal information concerning an individual to a special group that sponsors a special group recognition license plate for which the individual is applying;

(12) renames the Disabled Veteran license plate the Disabled Hoosier Veteran license plate;

(13) sets certain disability requirements for eligibility for a Disabled Hoosier Veteran license plate;

(14) provides for only one design for Disabled Hoosier Veteran license plates;

(15) repeals the provision requiring two distinct designs for Disabled Veteran license plates;

(16) requires the Bureau to authorize the display of a restored or refurbished authentic license plate from the model year of an antique motor vehicle on an antique motor vehicle;

(17) provides that motorcycle handlebars may not rise higher than the shoulders of the driver when the driver is seated in the driver's seat;

(18) deletes outdated language; and

(19) makes a technical correction.

**Effective Date:** January 1, 2010 (retroactive); Upon passage; July 1, 2010.

**Explanation of State Expenditures:** (1) Removing the requirement of issuing certain license plates (low-digit plates) biennially will have little, if any, fiscal impact on the BMV. Currently, the BMV issues about 23,000 low-digit plates annually, and about 40,000 PLPs annually. The fund affected is the Motor Vehicle Highway Account, which supports the BMV.

(2) Authorizing the BMV to have applicants for renewals and replacements of certain driver's licenses and identification cards by electronic service will save staff time at the BMV branches. The specific dollar savings is not known. In CY 2009, the BMV issued approximately 235,300 identification cards of all types and approximately 1.98 million licenses of all types.

(3) Requiring proof of address change for driver's licenses, permits, or identification cards will have no fiscal impact.

(5) *Gold Star Family Member License Plate:* The Gold Star Family license plate became available in January 2010. The BMV created this plate on its own initiative, based on requests for this type of license plate. PEN PRODUCTS, the manufacturing arm of prison-made products, reports that 57 Gold Star Family Member license plates have been ordered as of January 28, 2010. There is no fee in addition to the regular registration fee for the plate. It is unknown the number of individuals who might purchase the new license plate.

The proposal also provides for the Gold Star Family Member license plate to be a personalized license plate if the purchaser so decides. The fee for a PLP is \$48, with \$37 to the State License Branch Fund; \$7 is deposited into the Motor Vehicle Highway Account (MVHA), and \$4 is deposited into the Crossroads 2000 Fund.

(Revised) *Reciprocal Agreements, Nonresidents of a Certain Age, and Home State Requirements:* These requirements are within the agency's routine administrative functions and should be able to be implemented with no additional appropriations, assuming near customary agency staffing and resources. The fund affected is the Motor Vehicle Highway Account, which supports the BMV.

This bill expands the authority of the BMV regarding reciprocity agreements to include the authority to enter into such agreements with foreign countries. Currently, BMV's authority in this regard is limited to such agreements with other states.

(Revised) *Authorization of the Bureau to Disclose Certain Personal Information*: This affects special group recognition plates that are subject to an annual special group fee and do not require an applicant's authorization from the special group that sponsors the plate. The Bureau reports that in CY 2009, there were about 469,400 special group plates. It is not known at this time how many fall into the category of not requiring an applicant's authorization from the group that sponsors the plate. In addition, the Bureau reports that it will cost them 77 cents per pre-print to change the registration form for the special group plate to include a box for the applicant to authorize the Bureau to disclose certain information. Based on the above data, the maximum cost for the Bureau would be \$361,438. The fund affected is the Motor Vehicle Highway Account.

(Revised) *Renaming of License Plate*: PEN PRODUCTS, the manufacturing and sales arm of prison-made products, will charge the Bureau of Motor Vehicles (BMV) \$3.69 per plate for the renamed Disabled Hoosier Veteran license plate. This is the same charge as for the current Disabled Veteran license plate. Also, there will be a \$450 design fee for the change required in the new license plate. The funds affected are the PEN PRODUCTS Revolving Fund and the Motor Vehicle Highway Account, which supports the BMV.

Providing for only one design for Disabled Hoosier Veteran license plates will reduce expenditures for both PEN PRODUCTS and the BMV by an unknown amount.

(Revised) *Service-Connected Disability*: This proposed statutory change to the service-connected eligibility requirement conforms statute to current practice.

(Revised) *Refurbished License Plates*: Requiring the BMV to authorize the display of a restored or refurbished authentic license plate will have no fiscal impact on the BMV.

(Revised) *Handlebar Height* This part will have no fiscal impact.

Background Information- Uses of the three funds include the following:

MVHA-

- (1) Construction, reconstruction, and maintenance
- (2) Purchase of rental and repair of highway equipment
- (3) Painting of bridges
- (4) Land acquisition
- (5) Construction of storage buildings

Crossroads 2000-

- (1) Highway bonding projects

State License Branch Fund-

Operation of license branches throughout the state

The following table shows the number of Indiana residents lost in wars beginning with WW II.

War	Number Lost
WW II	8,131
Korean Conflict	887
Vietnam Conflict	1,531
Gulf War	0
Enduring Freedom/Iraq Freedom	159*
<b>Total</b>	10,708
* As of January 25, 2010	

**Explanation of State Revenues:** (6) *Abraham Lincoln Bicentennial License Plate*: This bill extends the authority for the Abraham Lincoln Bicentennial license plate until 2016 and creates the Indiana State Museum Foundation Trust Fund. It specifies a \$25 fee for the plate. Sales of the Abraham Lincoln Bicentennial license plate have averaged about 13,000 plates over CY 2008 and CY 2009. Based on the 13,000-plate average, revenue would amount to \$325,000 annually for the trust fund. However, sales could be reduced from prior levels due to the additional fee imposed on the plate.

Money in the Indiana State Museum Foundation Trust Fund is to be continuously appropriated. The Commissioner of the BMV is to administer the trust fund. Expenses of administering the fund are to be paid from the fund. On June 30 of each year the Commissioner of the BMV is to distribute money in fund to the Indiana State Museum Foundation for use concerning the Lincoln collection.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** (Revised) *Revision of Excise Tax Due on a Recreational Vehicle or a Truck Camper for a Partial Year Registration*: Under current law, RV and truck camper excise taxes are prorated when a vehicle is newly registered or sold during the registration year and when the owner's last name is changed. For new registrations, the excise tax is reduced by 10% per month for each month since the owner's usual registration date. On the sale of a vehicle, the owner receives a refund equal to the full-year excise tax, less 10% per month for each month since the registration date. And for a change in the owner's last name, the owner receives a refund or pays additional tax equal to 10% of the full-year excise tax for each month between the old and the new registration dates.

This bill would change the 10% monthly adjustments cited above to 8.33% to reflect a 1/12 adjustment per month. If one assumes that there are the same number of new registrations as there are vehicles sold and if the excise taxes and number of months between registration dates is the same for each group, then this provision would have little impact. Likewise, there is an assumption that the number of name changes that result in an earlier registration date is similar to the number of name changes that result in a later registration date.

A similar change was made for cars, trucks, and motorcycles subject to the motor vehicle excise tax in P.L.184-2007.

**State Agencies Affected:** BMV.

**Local Agencies Affected:**

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